

nonprofit organization, or Indian tribe shall not less than quarterly (or upon a proper withdrawal request under section 306, if necessary) deposit into the parallel account with respect to each eligible individual the following:

(A) A dollar-for-dollar match for the first \$500 contributed by the eligible individual into an Individual Development Account with respect to any taxable year.

(B) Any matching funds provided by State, local, or private sources in accordance to the matching ratio set by those sources.

(2) INFLATION ADJUSTMENT.—

(A) IN GENERAL.—In the case of any taxable year beginning after 2002, the dollar amount referred to in paragraph (1)(A) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section (1)(f)(3) of the Internal Revenue Code of 1986 for the calendar year in which the taxable year begins, by substituting “2001” for “1992”.

(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of \$20, such amount shall be rounded to the nearest multiple of \$20.

(3) CROSS REFERENCE.—

For allowance of tax credit for Individual Development Account subsidies, including matching funds, see section 30B of the Internal Revenue Code of 1986.

(c) DEPOSIT OF MATCHING FUNDS INTO INDIVIDUAL DEVELOPMENT ACCOUNT OF INDIVIDUAL WHO HAS ATTAINED AGE 61.—In the case of an Individual Development Account owner who attains the age of 61, the qualified financial institution, qualified nonprofit organization, or Indian tribe which holds the parallel account for such individual shall deposit the funds in such parallel account into the Individual Development Account of such individual on the first day of the succeeding taxable year of such individual.

(d) UNIFORM ACCOUNTING REGULATIONS.—To ensure proper recordkeeping and determination of the tax credit under section 30B of the Internal Revenue Code of 1986, the Secretary shall prescribe regulations with respect to accounting for matching funds in the parallel accounts.

(e) REGULAR REPORTING OF ACCOUNTS.—Any qualified financial institution, qualified nonprofit organization, or Indian tribe shall report the balances in any Individual Development Account and parallel account of an individual on not less than an annual basis to such individual.

SEC. 306. WITHDRAWAL PROCEDURES.

(a) WITHDRAWALS FOR QUALIFIED EXPENSES.—To withdraw money from an individual's Individual Development Account to pay qualified expenses of such individual or such individual's spouse or dependents, the qualified financial institution, qualified nonprofit organization, or Indian tribe shall directly transfer such funds from the Individual Development Account, and, if applicable, from the parallel account electronically to the distributees described in section 302(8)(A)(ii). If the distributee is not equipped to receive funds electronically, the qualified financial institution, qualified nonprofit organization, or Indian tribe may issue such funds by paper check to the distributee.

(b) WITHDRAWALS FOR NONQUALIFIED EXPENSES.—An Individual Development Account owner may unilaterally withdraw any amount of funds from the Individual Development Account for purposes other than to pay qualified expenses, but shall forfeit a proportionate amount of matching funds from the individual's parallel account by doing so, unless such withdrawn funds are re-contributed to such Account by September 30 following the withdrawal.

(c) WITHDRAWALS FROM ACCOUNTS OF NON-ELIGIBLE INDIVIDUALS.—If the individual for whose benefit an Individual Development Account is established ceases to be an eligible individual, such account shall remain an Individual Development Account, but such individual shall not be eligible for any further matching funds under section 305(b)(1)(A) during the period—

(1) beginning on the first day of the taxable year of such individual following the beginning of such ineligibility, and

(2) ending on the last day of the taxable year of such individual in which such ineligibility ceases.

(d) TAX TREATMENT OF MATCHING FUNDS.—Any amount withdrawn from a parallel account shall not be includible in an eligible individual's gross income.

(e) WITHDRAWAL LIABILITY RESTS ONLY WITH ELIGIBLE INDIVIDUALS.—Nothing in this title may be construed to impose liability on a qualified financial institution, a qualified nonprofit organization, or an Indian tribe for non-compliance with the requirements of this title related to withdrawals from Individual Development Accounts.

SEC. 307. CERTIFICATION AND TERMINATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) CERTIFICATION PROCEDURES.—Upon establishing a qualified individual development account program under section 303, a qualified financial institution, a qualified nonprofit organization, or an Indian tribe shall certify to the Secretary on forms prescribed by the Secretary and accompanied by any documentation required by the Secretary, that—

(1) the accounts described in subparagraphs (A) and (B) of section 303(b)(1) are operating pursuant to all the provisions of this title; and

(2) the qualified financial institution, qualified nonprofit organization, or Indian tribe agrees to implement an information system necessary to monitor the cost and outcomes of the qualified individual development account program.

(b) AUTHORITY TO TERMINATE QUALIFIED IDA PROGRAM.—If the Secretary determines that a qualified financial institution, a qualified nonprofit organization, or an Indian tribe under this title is not operating a qualified individual development account program in accordance with the requirements of this title (and has not implemented any corrective recommendations directed by the Secretary), the Secretary shall terminate such institution's, nonprofit organization's, or Indian tribe's authority to conduct the program. If the Secretary is unable to identify a qualified financial institution, a qualified nonprofit organization, or an Indian tribe to assume the authority to conduct such program, then any funds in a parallel account established for the benefit of any individual under such program shall be deposited into the Individual Development Account of such individual as of the first day of such termination.

SEC. 308. REPORTING, MONITORING, AND EVALUATION.

(a) RESPONSIBILITIES OF QUALIFIED FINANCIAL INSTITUTIONS, QUALIFIED NONPROFIT ORGANIZATIONS, AND INDIAN TRIBES.—Each qualified financial institution, qualified nonprofit organization, or Indian tribe that operates a qualified individual development account program under section 303 shall report annually to the Secretary within 90 days after the end of each calendar year on—

(1) the number of eligible individuals making contributions into Individual Development Accounts;

(2) the amounts contributed into Individual Development Accounts and deposited into parallel accounts for matching funds;

(3) the amounts withdrawn from Individual Development Accounts and parallel accounts, and the purposes for which such amounts were withdrawn;

(4) the balances remaining in Individual Development Accounts and parallel accounts; and

(5) such other information needed to help the Secretary monitor the cost and outcomes of the qualified individual development account program (provided in a non-individually-identifiable manner).

(b) RESPONSIBILITIES OF THE SECRETARY.—

(1) MONITORING PROTOCOL.—Not later than 12 months after the date of the enactment of this Act, the Secretary shall develop and implement a protocol and process to monitor the cost and outcomes of the qualified individual development account programs established under section 303.

(2) ANNUAL REPORTS.—In each year after the date of the enactment of this Act, the Secretary shall submit a progress report to Congress on the status of such qualified individual development account programs. Such report shall include from a representative sample of qualified individual development account programs information on—

(A) the characteristics of participants, including age, gender, race or ethnicity, marital status, number of children, employment status, and monthly income;

(B) deposits, withdrawals, balances, uses of Individual Development Accounts, and participant characteristics;

(C) the characteristics of qualified individual development account programs, including match rate, economic education requirements, permissible uses of accounts, staffing of programs in full time employees, and the total costs of programs; and

(D) information on program implementation and administration, especially on problems encountered and how problems were solved.

SEC. 309. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Secretary \$1,000,000 for fiscal year 2002 and for each fiscal year through 2008, for the purposes of implementing this title, including the reporting, monitoring, and evaluation required under section 308, to remain available until expended.

SEC. 310. ACCOUNT FUNDS DISREGARDED FOR PURPOSES OF CERTAIN MEANS-TESTED FEDERAL PROGRAMS.

Notwithstanding any other provision of Federal law that requires consideration of 1 or more financial circumstances of an individual, for the purposes of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such provision to be provided to or for the benefit of such individual, an amount equal to the sum of—

(1) all amounts (including earnings thereon) in any Individual Development Account; plus

(2) the matching deposits made on behalf of such individual (including earnings thereon) in any parallel account, shall be disregarded for such purposes.

SEC. 311. MATCHING FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS PROVIDED THROUGH A TAX CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to other credits) is amended by inserting after section 30A the following new section:

“SEC. 30B. INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS.

“(a) DETERMINATION OF AMOUNT.—There shall be allowed as a credit against the applicable tax for the taxable year an amount